

Contact: Andrea Anania

MINUTES OF FEBRUARY 7, 2012, COMMITTEE MEETING

**BOARD OF REGENTS, STATE OF IOWA
AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE**

**SUN ROOM, MEMORIAL UNION
IOWA STATE UNIVERSITY
AMES, IOWA**

Committee Members

Jack Evans (Chair)
Nicole Carroll
Robert Downer

Ruth Harkin
Greta Johnson
Craig Lang

David Miles
Katie Mulholland
Bruce Rastetter

Others

Dan Koraleski (via phone)
David Vaudt, Auditor of State

Chair Evans called the meeting to order at 8:35 a.m.

Minutes of December 8, 2011, Committee Meeting

- MOVED by HARKIN, SECONDED by MULHOLLAND, to approve the minutes of the December 8, 2011, Committee Meeting. MOTION APPROVED UNANIMOUSLY.

State Auditor Special Investigation

Auditor of State David Vaudt provided an overview on the Special Investigation of the University of Northern Iowa Centralized Ticketing Office.

- The Committee received the report by GENERAL CONSENT.

Internal Audit Reports Issued

Internal Audit Director Todd Stewart reported on the internal audit staff retreat held on November 4, 2011; provided highlights on the audit reports presented this month; and congratulated Internal Audit Assistant Director Deb Johnston on passing the Certified Fraud Examiner Exam.

- The Committee received the reports by GENERAL CONSENT.

External Audit Reports

- ◆ UNIVERSITY OF IOWA HOSPITALS AND CLINICS AUDIT REPORT
- ◆ UNIVERSITY OF IOWA HEALTH SYSTEM AND SUBSIDIARIES AUDIT REPORT

KPMG Partner Dan Koraleski joined the meeting via phone and provided an overview on the University of Iowa Hospitals and Clinics audit report and the University of Iowa Health System and subsidiaries audit report.

In response to Chair Evans, Mr. Koraleski elaborated on KPMG's relationship with the Public Company Accounting Oversight Board.

- The Committee received the reports by GENERAL CONSENT.

Investment Advisor Recommendation

Chief Business Officer Patrice Sayre provided an overview on the recommendation.

- MOVED by JOHNSON, SECONDED by MULHOLLAND, to recommend that the Board:
 - ◆ Approve Wilshire Consulting Group as Investment Advisor to the Regent universities financial portfolios; and
 - ◆ Authorize the Executive Director to execute the investment advisor contract on behalf of the Board.

MOTION APPROVED UNANIMOUSLY.

Fund Manager Issues

Chief Business Officer Patrice Sayre provided an overview on the recommendation.

- MOVED by DOWNER, SECONDED by RASTETTER, to recommend that the Board approve the addition of the following short-term fixed income managers:
 - ▶ Dimensional Fund Advisors
 - ▶ PIMCO
 - ▶ State Street Global Advisors
 - ▶ Vanguard Group

MOTION APPROVED UNANIMOUSLY.

Chair Evans adjourned the meeting at 8:55 a.m.

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.